

Digicel

OTTs and Network Infrastructure

DAVID GEARY
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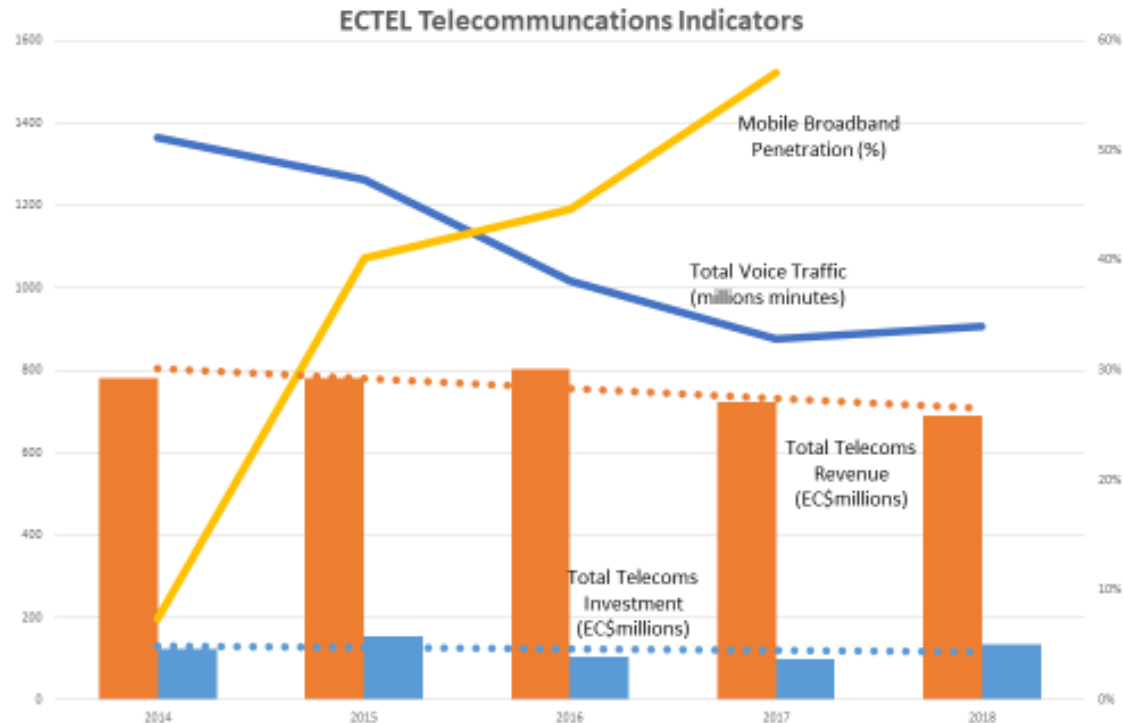


Digicel

- Caribbean, Central America & South Pacific
- 14m+ customers in 32 markets
- Mobile, Fibre, TV, Content
- Many countries are developing: low GDP, low ARPU
- Limited fixed broadband penetration
- Mobile broadband key to ubiquitous internet access
- Ongoing investment required to bridge digital divide






The Funding Gap – is a two tier digital world acceptable?



- The business case does not work – otherwise we would not have this problem
- The trend towards the disaggregation of services is making this more acute – recovery of cost from services has always been an important part of the model
- We need to find a way to re-connect the contribution from services to the recovery of investment in networks.
- There can be no sacred cows if we want to solve this – everything must be on the table All in the value chain must contribute

CARCIP – external World Bank funding

➤ 3 countries will join the top 15% of global population internet experience

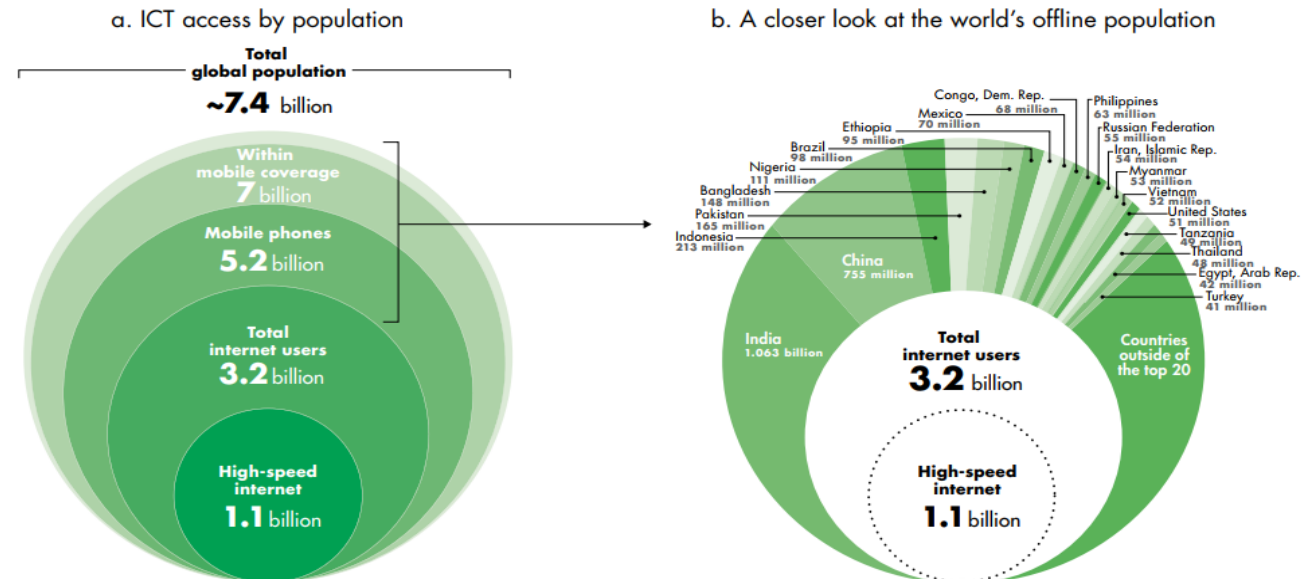
-  Networks capable of scaling speeds up to 10Gb, 100x increase
-  Connecting 100% of government buildings, community centres and schools
-  Ownership of the fibre GWAN infrastructure handed to governments creating nationally owned assets



CARCIP & World Bank loan in conjunction with Digicel investment.

15 year PPP enabling an unprecedented level of economic development.

Project only possible with external funding.



Sources: World Bank 2015; Meeker 2015; ITU 2015; GSMA, <https://gsmaintelligence.com/>; UN Population Division 2014. Data at http://bit.do/WDR2016-FigO_5.

Note: High-speed internet (broadband) includes the total number of fixed-line broadband subscriptions (such as DSL, cable modems, fiber optics), and the total number of 4G/LTE mobile subscriptions, minus a correcting factor to allow for those who have both types of access. 4G = fourth generation; DSL = digital subscriber line; ICT = information and communication technology; LTE = Long Term Evolution.

All who benefit from networks must play a part

Once this principle is accepted we can look to solutions:

Taxation models are adapting as the economy moves online

- OECD BEPS to report in 2020? Implemented by 2025?
- 3% “Digital Services Tax” UK, France, New Zealand, and others..
- Earmark a % of any new DST for infrastructure funds



New Financial Models - enable Opex or Capex financial contributions

- New “Pay or Play” USF/Infrastructure Funds could collect payments and recognize connectivity initiatives by OTTs, Regulatory frameworks could enable partnerships with network operators
- Reliable revenue streams for investors to underpin investment financing

Support local content

- Broadcasting Regulators are calling for levies on content OTTs to support local content



LET'S TALK

